

MTAC Workgroup 114
Service Standards and Measurement for Market-Dominant Products
Full Workgroup
July 31, 2007 Meeting Minutes

Subgroup Updates

The four subgroups provided updates on their progress since the last full workgroup meeting on July 11, 2007, with the following highlights.

First-Class Mail Subgroup. First-Class Mail (FCM) subgroup industry co-chair Jody Berenblatt, Bank of America, provided an update on the subgroup's progress. She noted that the subgroup spent its last meeting wrapping up its service standards issues and recommendations.

Ms. Berenblatt noted that the group continues to work through drafting recommendations on the Special Services assigned to it, commenting that the instinct is to focus on high-volume areas, but in every day business there are questions about the standards for return mail, for instance. She feels the discussions are a good investment of time and although the group does not have all the answers yet, its members are better understanding the processes involved and developing reasonable service expectations.

The FCM subgroup still is having preliminary discussions around service performance measurement, Ms. Berenblatt reported, noting there is much emotion and controversy around the issues pertaining to measurement. She reported that the subgroup has added a meeting for next week, and hopes some progress on measurement can be accomplished in the full workgroup meeting.

Periodicals Subgroup. Periodicals subgroup USPS co-chair JoAnn Miller, gave an update on the progress of the Periodicals subgroup. She reported that the group largely has completed its service standards recommendations, with concerns noted about the results still to come of the USPS internal review process; offshore destinations; CETs; and ensuring the network supports the needs of smaller mailers whose service can be more problematic.

Ms. Miller explained that the group does not anticipate having detailed results of the USPS' internal review much before the workgroup's deadline, and supports the need for there to be an opportunity for mailers to comment on any changes the USPS may propose after conclusion of this workgroup. On service standards for the non-contiguous U.S. locations, the subgroup has had USPS presentations that support the fact that the existing standards (7 days for some locations) do not reflect the USPS' current network capabilities because in some cases it can take up to 28 days just because of the mode and schedule of transportation (to smaller islands, for instance). The group is waiting for the USPS to propose realistic standards for these locations.

The group still finds Critical Entry Times (CETs) to be a great concern, particularly for the Periodicals mail production environment which often operates on a "just in time" schedule. The group will stress the importance of having CET information available from the USPS so that production/transportation/entry plans and service expectations can be made appropriately. Lastly, the group remains concerned that smaller Periodicals mailers service needs be met by the USPS network and service standards.

Ms. Miller noted that the subgroup has begun work around forming recommendations on service performance measurement, and supports an Intelligent Mail-based measurement systems as a long term solution. Periodicals mailers

have unresolved issues, however, with printing the Intelligent Mail Barcode (IMB), and the group has endorsed use of the existing industry measurement Red Tag system.

In addition, the group has discussed what Periodicals mailers business needs are from measurement reporting. Draft recommendations are being prepared this week for review and discussion at the next subgroup telecon. The group has concerns about rumors that there would only be one high level performance score provided quarterly and that mailers would have to pay for any additional information – a concept the subgroup does not support. Periodicals mailers want performance data at aggregate level as well as the ability to drill-down to a very granular disaggregated level, in order to improve management of their business and service expectations. The group also supports measurement that will include all types of Periodicals mailers, including non-automation (e.g., newspapers entered locally).

Ms. Miller reported that the pilot of validating the Start the Clock in the Red Tag measurement system with USPS actual entry data has gone well. The pilot test ran from June 4 to July 13 in the New York Metro Area, and the final results are being compiled. The group had hoped the test would include the Intelligent Mail container barcode, but the USPS had difficulty scanning the pallet barcodes during the pilot, so the group made the decision to discontinue that part of the test. Ms. Miller suggested that the group may want to re-visit that test as issues are resolved with the barcode scanning.

The test validated that the Red Tag Start the Clock data, which currently is entered manually from publishers based on information from their transportation providers, closely matches the entry time obtained by the USPS through FAST/Surface Visibility.

The Red Tag Association on July 24 gave an educational briefing to the Postal Regulatory Commission (PRC), which demonstrated how robust the Red Tag program can be for measurement purposes. Ms. Miller noted a lot of interest and questions from the PRC commissioners and staff that attended the briefing.

The Periodicals subgroup plans to move forward with its recommendation that Red Tag be adopted as an interim measurement solution until such time as an Intelligent Mail-based solution is viable. The Red Tag group is not opposed to linking USPS and Red Tag systems so that the Start the Clock is linked between the two systems. The group also is not opposed to exploring the addition of more Periodicals publications, outside audit of the Red Tag system, or other changes that the USPS or PRC may deem necessary in order to support Red Tag as an interim measurement solution. There may be some cost to making such changes, but it would be significantly less than the cost of developing a new interim solution. Ms. Miller also noted that other mailer measurement systems, such as DelTrak, can also provide valuable measurement information until Intelligent Mail solutions are in place.

The Periodicals subgroup will meet next on August 13 by telecon, when it will review and attempt to finalize its draft service performance measurement recommendations.

Standard Mail Subgroup. Tom Foti , Standard Mail subgroup USPS co-chair, gave an update on the progress of the Standard Mail subgroup. The group last met yesterday, he reported, and largely has completed its service standards recommendations, with a few minor additions to come (CETs, definition of “deferrability” for Standard Mail). A final document with service standards recommendations will be circulated within the next week for review and approval by the subgroup.

The subgroup continued its discussions yesterday on service performance measurement, Mr. Foti reported, and learned that while the subgroup supports an Intelligent Mail-based measurement solution at a high level, the devil can be in the details and there are things that are unclear in terms of the implementation of an Intelligent Mail-based solution. There are specific tasks that the USPS and customers will have to complete to get the Start the Clock and Stop the Clock information.

The group also began discussion about Intelligent Mail “gaps” in service performance measurement, such as mail that either falls out of or does not travel to its destination in the automated mailstream. There is a great deal of cost sensitivity around measurement for mailers, the group has established. There are also gaps before some Intelligent Mail measurement solutions will be ready, and the group began discussions about whether interim solutions need be developed. The group initially concluded that for solutions that will be viable in terms of product representation by early 2009, no interim solution need be developed, but if the time line is late 2009 that may be a different case.

An initial draft of measurement recommendations was reviewed by the subgroup, with changes and further detail noted. An updated version will be circulated over the next two weeks. The group also said it needs the USPS to draft its Intelligent Mail measurement solutions in detail for the various Standard Mail product mailstreams.

Mr. Foti reported that the group had extensive discussions around what mailing data would be used for service performance measurement versus data provided to mailers through products such as Confirm. The group expressed a need for the two data sets to be as closely linked as possible to bring consistency and clarity to service issue resolution discussions between USPS and mailers. The group agreed that there need to be clear objectives for service performance and that the USPS should be measured against those goals and make continued improvement. The goals and measurement should be publicized and identified as they are achieved, and the performance goal bar should be raised over time.

The group handed out some assignments yesterday to further draft its recommendations for service performance measurement, will hold a telecon meeting in 2-3 weeks, and hopes to finalize its recommendations at its last scheduled meeting on August 28.

Package Services Subgroup. John Gullo, USPS Package Services subgroup co-chair, gave an update on the progress of the Package Services subgroup. He thanked Pam Thompson, OCA-PRC, for her extensive write-up bringing together the subgroup’s draft recommendations on service standards and measurement. The group had a preliminary review of the document on its July 23 telecon and some modifications are being made.

In terms of service standards, the group proposes maintaining the existing service standards for Package Services for origin-entry mail, with an additional day added for Standard Mail parcels. For destination-entry, the group proposes a subset of standards and proposes including Standard Mail parcels in the same standards as for other Package Services. The standard for DBMC/ASF would be either 3 or 4 days (with the exact standard shown in the 3-digit ZIP matrix). The group also proposes consistency performance goals for the “tail of the mail,” similar to the concept being recommended by the First-Class Mail subgroup.

The Package Services subgroup, as others, is concerned about the results of the USPS’ internal review (which is not expected until late in the workgroup’s time line), and is likely to recommend that another review take place one year after these standards are implemented in order to re-evaluate them based on the availability of more data.

The group recommends that standards be developed for the non-contiguous U.S. locations, which don't exist today for Package Services, but will wait for the results of the USPS internal review to determine what realistic standards should be for those locations.

The group is finalizing service standards recommendations for Delivery/Signature Confirmation around scan rates, working through issues such as the existing USPS batch update process for scan availability, and internet inquiry response times. The group will recommend that service standards be developed later on for Merchandise Return Service and Bulk Parcel Return Service since the USPS currently is redesigning those services.

The Packages Subgroup will finalize its recommendations for service standards and Special Services at its August 13 telecon meeting, and review preliminary recommendations for service performance measurement and reporting.

Service Standards Update

Kathy Siviter, full workgroup industry co-chair, gave an update on the status and expectations around the subgroup work on service standards. She commended the subgroups for the work they have done in forming recommendations around service standards. The following update and guidance was provided:

- ***USPS Service Standards Review.*** Ms. Siviter noted that currently the USPS has asked for an hour on the August 29 full workgroup meeting agenda to discuss the outcome (as known at that point) of its standards review process. If the USPS were to propose any substantive changes at that point, she suggested, the subgroups would need to determine how to handle it in terms of their recommendations, recognizing that additional opportunity for input will be provided when the USPS publishes the proposed standards in the *Federal Register* in mid-October.
- ***Non-Contiguous U.S. Locations.*** Most subgroups are making guiding recommendations concerning development of service standards for "extreme" (aka non-contiguous) U.S. locations, and are waiting for proposed standards from the USPS based on its review process.
- ***Forwards>Returns.*** The First-Class Mail subgroup is forming recommendations around forwarded/returned mail service expectations, including development of process flow charts for Change of Address (COA) processing and forwarding/return.
- ***Critical Entry Times (CETs).*** The Periodicals and Standard Mail subgroups have elected to include recommendations around CETs, stressing the importance of CETs and their relationship with service standards.
- ***Ongoing Review Process.*** The workgroup had reviewed one draft of the Ongoing Review Process recommendations, and a revised draft will be circulated for review and comment prior to the August 29 full workgroup meeting.
- ***Service Standards Tools.*** The workgroup had identified recommendations around the USPS communication of its service standards and support tools for use by all types of customers to determine service standards by 3-digit ZIP code pairs. Those recommendations have been provided to the USPS and will be included in the workgroup's final report.

Ms. Siviter noted that several of the subgroups have added meetings/telecons prior to the full workgroup meeting on August 29, which is envisioned to be the last in-person meeting for this MTAC workgroup. It is envisioned that any remaining changes to the workgroup's final report after the August 29 meeting will be made by e-mail.

Service Performance Measurement

Ms. Siviter facilitated a presentation and discussion on service performance measurement. She re-capped highlights from past briefings given to the workgroup, including a presentation on developing external measurement systems by IBM, multiple presentations from the USPS on Intelligent Mail measurement and Seamless Acceptance, presentation by International Post Corporation (IPC) on measurement experiences with foreign posts and the IPC, countless hours of workgroup discussion, and comments submitted in response to the PRC's notice on service standards and performance measurement (many of which came from workgroup members or their representatives). [A copy of the presentation is available on the workgroup web site.]

Ms. Siviter suggested that because of the workgroup's deadline, which is fast approaching, detailed recommendations on measurement may not be accomplished, so the workgroup may want to consider making as many guiding recommendations as possible around measurement, and could even make recommendations to continue the work on specific measurement solutions and methodologies in another MTAC workgroup at the appropriate time. Jeff Lewis, USPS full workgroup co-chair, agreed that there may be value to continue USPS/industry discussions on measurement as things develop.

Ms. Siviter walked the group through some potential over-arching recommendations on measurement. The following highlights and discussion points were captured.

- ***Specific sampling methodologies/statistical approaches.*** The group agreed that the workgroup does not need to make very specific recommendations on exact sampling methodologies used or how to statistically determine if volumes are representative of the mailstream being measured. These discussions and exact details can be deferred to the USPS and PRC to work out. The workgroup may have some guiding recommendations in this area, but will not delve into specifics.
- ***What business mailers need from measurement.*** Ms. Siviter suggested that the group identify the basic needs of business mailers relative to service performance measurement, including: balancing cost of measurement with service needs of users; providing the USPS with actionable data to identify service issues and improve performance; and providing business mail users with data to better manage their businesses and add value to the mail.

Several mailers asked that the need to balance cost also include the expectation that the cost of service measurement would decrease as performance improves. Also, that consistency and predictability of performance need improvement. Some raised the concern that things not measured do not improve, therefore all products need to be measured in some manner so that service improvements are made and maintained. It was also noted that "average" measurement reporting may not accurately reflect performance encountered for specific mailings or geographic areas. The workgroup should make recommendations around what needs to be measured.

The group also raised the issue of how measurement data/reports can be used to resolve service issues between customers and the USPS. An established service issue resolution process should be defined (some suggested this be addressed by a separate workgroup). Or the workgroup can make statements that with the new level of performance data that will be available, there is an opportunity to make improvements and deal with service-related issues in a better manner.

- ***Intelligent mail-based measurement is preferred.*** The workgroup agreed with the recommendation that Intelligent Mail-based measurement solutions are preferred. Ms. Siviter encouraged workgroup participants to add or edit from the list of reasons supporting that statement (see copy of presentation, available on workgroup web site).

The USPS noted that it samples about 2.67 million pieces a year in its EXFC external measurement system, and Intelligent Mail-based measurement solutions, even in the initial deployment would include five times that volume. One workgroup member commented that any measurement system that uses business mail will be limited in its origin sites, but unlimited in destination points, because business mailers don't mail from every 3-digit location.

- ***Where external measurement solutions are used...*** The workgroup agreed that for product mailstreams where external measurement is used in the short-term or long-term, costs should be kept to a minimum, the test mail should not perturb the normal product mailstream, and existing industry solutions should be evaluated (e.g., Red Tag, etc.).

Workgroup members stressed that external measurement systems need to be representative of the mailstream they are measuring, including mail make-up and destination locations. Prior experiences with EX3C, for example, ended up with containers of only test mail being prepared to certain locations because the mailer did not normally mail to those locations.

- ***Measurement quality metrics are needed.*** The group agreed that quality metrics for measurement need to be developed, including for the Start the Clock and Stop the Clock processes. Recommendations should include development of baseline metrics and a plan for improvement over time. Phil Thompson, Cameron Bellamy, and Joel Thomas volunteered to draft some proposed recommendations around measurement quality metrics.

The group asked that specific processes for Start the Clock be documented by the USPS in terms of service performance measurement. It was noted that the USPS had presented its proposed Start the Clock rules at the last full workgroup meeting. Some noted there are still some issues with how Start the Clock is done – for instance, if a truck arrives at a postal facility and waits, if the Start the Clock is not until the first container unload scan, that wait time is not reflected in the performance measurement.

Other issues raised included the USPS' existing color coding policy used to process Standard Mail, and how loop mail would be handled in terms of measurement.

- ***USPS measurement systems should be audited.*** The group supported the concept that any internal (Intelligent Mail-based) measurement systems should be subject to external audit.

- ***Measurement solutions may be evolutionary.*** The group supported the concept that not all measurement solutions need to be fully implemented on Day 1, but can be implemented as practical and appropriate, and as determined by the USPS and PRC. Industry would like to continue working with the USPS as measurement solutions are implemented and developed, to provide feedback and guidance.
- ***Measurement solutions and processes should be reviewed over time.*** The group agreed that recommendations for an ongoing review process for measurement should be developed, perhaps with some time lines over the next few years as measurement solutions are further developed and implemented.
- ***Data exclusion from service performance measurement.*** The group discussed at length what data should be excluded from a service performance measurement scoring calculation to which the USPS would be held accountable. The group felt that many types of mailings/pieces which the USPS would like to exclude from service performance measurement calculation still should be reported separately and that industry and USPS should have access to that data for purpose of service issue resolution as well as driving mailer behavior. Making data available on mailings with presort/barcode/address quality issues can be a valuable tool for USPS and mailers to improve mail prep and diagnose service issues.

The USPS suggested that some service performance measurement data could go into a database that would be available, but not be included in the calculation of a USPS performance score. That would minimize conflicts between the USPS and mailers in terms of using data for service issue resolution discussions.

The industry workgroup members stressed the importance of having service performance measurement data that closely matches individual mailing data (such as is provided through Confirm or Delivery Confirmation). There may be justifiable ground rules for what data gets excluded from the service performance measurement calculation, but data that will help improve service should not be inaccessible. It was suggested that there are two different goals with service performance data – to discuss service issues effectively, and to ensure the USPS network is meeting the standards. These goals are not necessarily in conflict with one another, and perhaps another data set could be available to USPS personnel such as BSNs, NAMs, etc. as well as mailers.

The group largely agreed that data from mailings with certain quality issues does not have to be included in calculation of the USPS' service performance score, but should be available to the USPS and industry, and that process should be an official one with a formal structure. There were some concerns raised, however, that if "problem" mailings are not included in the calculation of the USPS' service performance scores, that service will not get improved. The group agreed that the USPS should be required to document what data is excluded from service performance measurement, and that should be subject to audit.

- ***Measuring the Intelligent Mail "gap" mailstreams.*** The group discussed whether it could form recommendations on how to approach service performance measurement for mailstreams where Intelligent Mail does not offer a ready or viable solution. The subgroups need to work to identify what these gap product mailstreams include. In some cases there may be hybrid Intelligent Mail solutions

possible, or there may be technology solutions in the future. The question is whether to engage in perhaps expensive measurement solutions, or pursue measurement less stringently for what might be small volume mailstreams.

The group acknowledged that some of these gap mailstreams may include those that generally have the biggest service complaints, so they should not be ignored entirely in terms of measurement. Another approach could be to measure segments of the network not included in other Intelligent Mail-based measurement. For some process segments, there may be systems in place today that can provide measurement.

Tim Gribben, USPS Intelligent Mail (IM), then walked the group through the USPS-proposed Intelligent Mail measurement solutions, noting time lines for implementation, IM volume forecasts, potential barriers, and Start/Stop the Clock processes. Mr. Gribben said the only two essential data points for performance measurement are the Start the Clock and Stop the Clock points. He reviewed the USPS' proposed solutions for capturing those data points, depending on the product type and entry point. The following are discussion highlights. [A copy of his presentation is available on the workgroup web site.]

- ***Start the Clock.*** Mr. Gribben noted that the Start the Clock processes are nearly the same for all products, and include an electronic manifest, unique mailpiece/mailing ID, and container scans on arrival that tie back to the electronic manifest to validate the actual mail entered. He noted that the Information-Based Indicia (IBI) also could be used to provide mailpiece uniqueness.

Workgroup participants encouraged the USPS to explore other situations where it could use the first equipment scan as the Start the Clock and last equipment scan as the Stop the Clock, as a Plan B for certain types of mailings if credibility for such measurement could be established based on the mailer's practices. Such a solution would not work for all mailing profiles, however, as was noted by one mailer that said Confirm data shows their mail does not encounter a first processing scan until three days after it has been in the system.

Ms. Mehra noted that for smaller mailers entering mail at the BMEU with a discreet mailing could create an Intelligent Mail Barcode that is not unique for every piece, and the USPS is exploring using the BMEU entry date/time as the Start the Clock. The USPS is looking for some small mailers to test this concept with and has 1-2 mailers interested.

The workgroup urged the USPS to explore how to include different types of mailings in its service performance measurement. For instance, list mailers with huge FCM volumes today do not have palletization rules. The USPS acknowledged that such rules are needed and would help bring more volume of palletized mail in with pallet barcodes to generate Start the Clock data.

The USPS said that since all BMEUs must clear all mail, regardless of class, the same day, then a measurement of the BMEU process segment could be accomplished. Mr. Gribben noted that the USPS is providing scanners to BMEUs to scan some mail and produce Start the Clock data.

Ms. Mehra stressed that the USPS today has some sites on Surface Visibility and at those sites it is expected that containers will be scanned upon induction. The USPS acknowledged that right now

those scanning rates are not good, but will fix that and expects that the goals for these sites will be 100% scanning with some tolerance. The USPS is exploring options for non-Surface Visibility sites, she noted. The group stressed that scanning all containers may not be necessary for service performance measurement, and encouraged the USPS to explore sampling techniques with proven quality mailers. Pritha Mehra, USPS, said the USPS has plans to do, similar to its performance-based verification vision.

- ***Volume forecasts for measurement – FCM letters.*** Mr. Gribben noted that the FCM Seamless Acceptance pilot currently includes three mailers dropping at 5 locations, with approximately 2 million pieces per week. By November 2007, the USPS anticipates that will grow to 4 mailers dropping at 80 locations, with approximately 10 million pieces per week. (Again, this compares to current EXFC test volume of 2.67 million pieces per year from one vendor.)

The USPS noted that Netflix will be the fourth pilot participant, which will bring a good geographic spread to the pilot. Ms. Siviter noted that nearly all of Netflix' mail is processed within the same geographic region, so it would not be a measurement of the end-to-end USPS network.

The USPS is confident that this will be sufficient volume to be representative of the FCM letter mailstream, particularly combined with the existing EXFC measurement of Single Piece FCM. It was stressed that additional types of mailers and volumes can be brought into the measurement system as processes are developed to validate the Start the Clock data.

There were some concerns that typical FCM volume would not be represented by the mailers participating in Seamless Acceptance, 3 of which are predominantly MLOCR preparers. Bringing on the 4th test mailer will help, but the group suggested that efforts be increased to get more FCM representation included in Seamless Acceptance. Development of FCM palletization rules would enable software companies to generate appropriate software to support that mail preparation and bring more volume into Seamless Acceptance.

The USPS acknowledged that more different types of FCM mailers would be useful and invited those interested to begin pilot testing the Seamless Acceptance process.

- ***Volume forecasts for measurement – FCM flats.*** Mr. Gribben suggested that single piece FCM flats measurement is adequately covered by EXFC. For business FCM flats, the USPS does not have a measurement solution yet because there are no FCM flats mailers participating in Seamless Acceptance. The USPS is seeking such mailers to pilot the Seamless process (note: one FCM flats mailer on the workgroup is working with the USPS on participating in the pilot).
- ***Volume forecasts for measurement – Standard Mail letters/flats.*** Mr. Gribben reported that currently there is one Standard Mail mailer participating in Seamless Acceptance testing, dropping at 350 locations, approximately 10 million pieces per week. By Q4 FY 07, the USPS expects the number of entry sites and volume to increase to 350-400 locations and 20 million pieces per week. Ms. Siviter asked how the volume breaks out between letters and flats for this pilot participant (Harte Hanks), and the mailer responded that it will bring on J. C. Penney initially, then will add other clients, so the flats/letter mix will evolve.

- ***Stop the Clock.*** For FCM and non-Saturation Standard Mail letters, the Stop the Clock would be the last equipment scan, for those operation codes already defined in the Confirm system, which represent the proxy for delivery. For FCM flats, the Stop the Clock also would be the last flats equipment processing scan, with different ops codes identifying the delivery proxy scan than for letters.

For Standard Mail flats, the Stop the Clock would be different than for FCM because they do not follow the same processing flow. Standard Mail pieces processed on flat sorting equipment still could be deferred at the delivery unit, so the last equipment scan may not always be an accurate proxy for delivery. For Standard Mail flats, the USPS proposes using a sampling system of tubs distributed to carriers at the delivery unit, where the top piece in the tub would be scanned, then assumptions made to measure service performance for the mail in that process flow. Ms. Siviter suggested that the USPS do some tests to validate the use of this type of data as an accurate delivery proxy.

For Standard Mail saturation letters, a scan of the tray label when the mail is cased or taken to the street for delivery could be used as the Stop the Clock, or the top piece in bundles when they are broken open and cased could be used to make assumptions for the remainder of pieces in that bundle. Saturation letters that are processed on automated equipment to delivery point sequence would have the same operation code last scans serve as the Stop the Clock as other automation letters.

The workgroup members stressed that all Stop the Clock scan data should be available to mailers as part of their Confirm data, otherwise it exacerbates the disparity of USPS vs. mailer service data.

- ***IM measurement for parcels.*** Mr. Gribben said that for parcels, the USPS envisions using Delivery Confirmation scans for service performance measurement. In addition, he noted that there are small volumes of IMBs used on other Package Services that could be used to determine service performance measurement for parcels handled in the same mail flow. It will be difficult to measure separate subclass performance, he said, because of the small volumes using IMBs, but since this mail follows the same flow, the measurement could apply to the group. For parcels not using IMBs, there is not an Intelligent Mail measurement solution presently envisioned.

For retail-entered Package Services, the USPS already is capturing Start the Clock data at retail, and can use the Delivery Confirmation scans at delivery/attempted delivery as the Stop the Clock. Not every USPS retail site is a POS site, so not all pieces could be scanned at acceptance. The USPS envisions rolling POS out to its remaining retail sites over time. Mr. Gribben noted that 18% of FCM parcels already use Delivery Confirmation, and the USPS feels this volume is enough dispersed to represent that product mailstream.

For commercial Package Services, the Start the Clock would be determined through a combination of the electronic manifest data and “scan 5” concept currently defined for Parcel Select which could also be used for these parcels. Scan 5 is a sampling process to validate the actual parcels entered against the electronic manifest.

- ***Potential gaps.*** Mr. Gribben noted that one gap in First-Class Mail may be Business Reply Mail (BRM). Courtesy Reply Mail (CRM) follows the same processing path as single piece letter mail

entered at retail, he noted, but BRM starts the same but is measured differently. One idea being explored by the USPS is that since the Start the Clock is missing for BRM with Intelligent Mail, EXFC could be used to measure the processing segment from entry to the first processing scan, then IM would take over measurement from that point.

Another potential gap for IM measurement is letters/flats that do not travel through the full USPS network of automated equipment (e.g., equipment rejects, or pieces destined to facilities with no automated equipment). The USPS estimates that 9.6% of letters and 45.6% of flats (includes bundles and other flats where IM solutions are envisioned) fall into the non-automation category. The USPS noted it has about 15,000 non-automated zones, which probably are those offices with 5 routes or less and likely sparsely populated. The group asked to see more data around quantifying this volume.

The group had concerns about IM measurement for Not Flat-Machinable (NFM) pieces, which was discussed extensively in the Standard Mail subgroup meeting. Could these pieces be tracked through Delivery Confirmation or other IM barcoding?

Parcels not using confirmation services also would be a gap, and the USPS noted it is looking at using barcode scan data from parcels with other Special Services (such as insured, etc.) which would require some software modifications and changes in operational procedures.

The above is not necessarily an exhaustive list of potential IM measurement gaps, the group noted, and participants were asked to give some thought to identifying other potential gap product mailstreams. The USPS wants feedback on what is missing in terms of its proposed IM measurement solutions. The group noted that local newspapers could be another gap to IM measurement.

- **Barriers.** Mr. Gribben noted some potential IM measurement barriers, including customer adoption rates for IMBs and electronic manifesting; USPS operational process/training changes; software updates needed for the Intelligent Mail Device for Start and Stop the Clock scanning (e.g., direct entry to DDUs); additional scanners needed at dock & BMEUs; resolution of the IMB height issue on flats; parcels inducted at non-POS sites; and Product Tracking System (PTS) upgrades needed to capture Scan 5 data beyond Parcel Select to other products.

Next Meeting

The last meeting of the full workgroup (including all subgroup members) will be held on **Wednesday, August 29, from 10:00 a.m. to 3:00 p.m.** in USPS Headquarters room 1P410, in Washington, DC. Further details will be distributed to participants as they are finalized. The August 29 meeting will be focused on reviewing the draft recommendations of the workgroup, including all subgroup recommendations. The final output then will be edited as needed and handed off to the USPS by the mid-September deadline.

An updated list of upcoming meetings for all four Subgroups has been posted on the workgroup web site.